

FISCAL NOTE

HB 2241 - SB 2519

February 28, 1998

SUMMARY OF BILL: Requires health insurance plans and health maintenance organizations that provide maternity benefits to cover infertility diagnosis and treatment.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase Local Govt. Expenditures - Exceeds \$100,000

Other Fiscal Impact - Increase Expenditures/Health Insurance Industry - Exceeds \$100,000¹

Assumes increased cost for diagnostic testing, fertility procedures, medications and increased births. Coverage of such treatment is estimated to result in higher capitation rates paid to managed care organizations in the TennCare program. All TennCare MCO's are health maintenance organizations and will be impacted by this legislation. The bill would not directly affect the state employee health insurance plan or most local government health plans since self-insured plans are exempted by federal law (ERISA). However, to the extent that such plans utilize state regulated HMO's they would experience higher costs.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

¹The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director